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Serial No.: 10/086,288
Attorney Docket No.: 10014732-1**REMARKS**

The Final Office Action dated June 15, 2006 contained a final rejection of claims 1-18. In a previous amendment, the Applicants canceled claims 19-20. In the present amendment, the Applicants have canceled claim 18 and amended independent claims 1 and 11. Claims 1-17 are in the case. Please consider the present amendment with the attached Request for Continued Examination (RCE) under 37 C.F.R. § 1.114. This amendment is in accordance with 37 C.F.R. § 1.114. Reexamination and reconsideration of the application, as amended, are requested.

The Office Action rejected claims 1-5, 7-8, 10-15, and 17-18 under 35 U.S.C. § 102(e) as being anticipated by Pierce et al. (U.S. Patent No. 6,865,558). Also, the Office Action rejected claims 6, 9 and 16 under 35 U.S.C. § 103(a) as being unpatentable over Pierce et al. (U.S. Patent No. 6,865,558).

The Applicants respectfully traverse these rejections based on the amendments to the claims and the arguments below.

The Applicants' independent claim 1 now includes that the postage indicia with the remaining value is a negotiable instrument that can be physically negotiated and traded between multiple people before the postage indicia is redeemed. Claim 11 now includes wherein the postage indicia with the remaining value is a negotiable instrument that can be physically negotiated and traded between multiple people before the postage indicia is redeemed and compensating a particular entity that presents the postage indicia for the remaining value indicated by the postage indicia without requiring a data center to dispatch the remaining value.

Support for these newly claimed elements can be found throughout the specification. For example, FIGS. 1-3 and paragraph [0027] of the Application specification (U.S. Patent Publication No. 2003/0167243) states "...Entity 120 does not necessarily have to be the one to redeem postage indicia 111. Postage indicia 111 may be traded between multiple people before being redeemed with delivery service 100. Thus, postage indicia may comprise a negotiable instrument." Since the remaining value of the postage indicia can be treated as a physical negotiable instrument and can be physically traded, all payments and redemption can be made without a data center to dispatch the remaining value.

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With regard to the rejections under U.S.C. 102, the Applicants respectfully submit that Pierce et al. do not disclose, teach, or suggest all of the above claimed features. Although Pierce et al. disclose adding third party payment capabilities to a postage metering system, Pierce et al. does **not** allow the **postage indicia with the remaining value** to be treated as a **negotiable instrument** that can be **physically negotiated and traded between multiple people** before the postage indicia is redeemed, like the Applicants' claimed invention.

Instead, Pierce et al. use a separate third party payment indication to notify a payee that a payment has been arranged (see col. 5, lines 57 – 64 of Pierce et al.). The third party payment indication in Pierce is not part of the postage indicia (see FIGS. 4a and 4b of Pierce). In fact, Pierce et al. **explicitly** states that a "data center" is used to dispatch the payments (see col. 2, lines 39-40, col. 6, lines 1-10 and lines 60-65 and col. 7, lines 1-3 and lines 22-25). Consequently, unlike the Applicants' claimed invention, Pierce et al. **requires** a "data center" to dispatch payments. Thus, the Applicants respectfully request withdrawal of this rejection because since the cited reference does not contain all of the features of the Applicants' claimed invention, it cannot anticipate the claims.

With regard to the rejection under 35 U.S.C. 103, the cited reference does not disclose, teach or suggest all of the Applicants' features, as argued above. Further, in addition to the arguments that the Pierce et al. do not disclose, teach or suggest all of the Applicants' features, Pierce et al. should not be used as a reference because it **teaches away** from the Applicants' claimed invention. In particular, as argued above, Pierce et al. **explicitly requires** a "data center" to dispatch payments.

In contrast, the Applicants' claimed invention does **not** require a data center to dispatch the remaining value (claim 11) and the postage indicia is a negotiable instrument that it can be physically negotiated and traded between multiple people before the postage indicia is redeemed (claims 1 and 11), which is in direct conflict with Pierce et al. Therefore, since Pierce et al. requires a data center to dispatch payments, Pierce et al. would be rendered inoperable if a data center was not used to dispatch the remaining value and if the postage indicia were a negotiable instrument that could be physically negotiated and traded between multiple people before the postage indicia was redeemed.

It is well settled that when a teaching away exists, the reference(s) **should not** and

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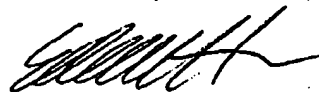
cannot be considered. Tec Air, Inc. v. Denso Mfg. Mich. Inc., 192 F.3d 1353, 52 USPQ2d 1294 (Fed. Cir. 1999). Hence, this "teaching away" prevents obviousness from being established. In addition, the **failure** of the cited reference to disclose, suggest or provide motivation for the Applicant's claimed invention also indicates a lack of a prima facie case of obviousness. W.L. Gore & Assocs. V. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983). In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).

With regard to the rejection of the dependent claims, because they depend from the above-argued respective independent claims, and they contain additional limitations that are patentably distinguishable over the cited references, these claims are also considered to be patentable (MPEP § 2143.03).

In view of the arguments and amendments set forth above, the Applicants respectfully submit that the rejected claims are in immediate condition for allowance. The Examiner is therefore respectfully requested to withdraw the outstanding claim rejections and to pass this application to issue. Additionally, in an effort to expedite and further the prosecution of the subject application, the Applicants kindly invite the Examiner to telephone the Applicants' attorney at (818) 885-1575. Please note that all correspondence should continue to be directed to:

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Respectfully submitted,
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